

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1598-02
Bill No.: HB 761
Subject: Public Service Commission; Utilities
Type: Original
Date: February 19, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources** assume the provisions of this bill do not have a direct fiscal impact on the department.

Officials from the **Department of Economic Development - Office of Public Counsel** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Economic Development - Public Service Commission** (PSC) assume passage of this bill would change the standard for evaluating certain utility filings before the Commission and would also require the Commission to undertake certain rulemaking activities. However, it is believed that the rulemaking activities can be accomplished with existing staff.

Officials from the **Office of Secretary of State** assume that this bill regulates property transfers by gas, water, electric, and sewer corporations. The Public Service Commission shall promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission could require as many as 26 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The total estimated costs for FY 02 are \$1,599. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

FISCAL IMPACT - State Government

FY 2002

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2002

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small utility companies regulated by the PSC could be affected by the provisions of this proposal.

DESCRIPTION

This bill amends current law requiring Public Service Commission approval for gas, electrical, water, or sewer corporations to sell or transfer assets necessary to perform their duties to the public. The bill specifies that the commission require, in considering any such request, that the sale or transfer be in the public interest, and the burden of proof for the request is on the utility requesting approval.

The bill also prohibits the commission from approving any newly requested or currently pending request for sale or transfer of assets until it has made rules that (1) incorporate the public interest standard provided in the bill; and (2) detail the information required of any entity involved in the transaction, including history of dealings in the specific industry, pertinent safety record, and fitness to perform necessary work to deliver services to customers. The rules must take effect by January 1, 2002.

The bill has an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development - Office of Public Counsel
Department of Economic Development - Public Service Commission
Department of Natural Resources
Office of Secretary of State



Jeanne Jarrett, CPA
Director
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